

EHB 2163 - S AMD 329  
By Senator Braun

ADOPTED 06/30/2017

1 On page 8, line 17, after "rate of" strike "3.852 percent" and  
2 insert ":

3 (a) 0.963 percent from January 1, 2018, through December 31,  
4 2018;

5 (b) 1.926 percent from January 1, 2019, through December 31,  
6 2019;

7 (c) 2.889 percent from January 1, 2020, through December 31,  
8 2020; and

9 (d) 3.852 percent from January 1, 2021, and thereafter"

10 On page 46, after line 33, insert the following:

11 **"Part V**

12 **Public Utility Privilege Tax Distributions**

13 **Sec. 501.** RCW 54.28.055 and 1986 c 189 s 1 are each amended to  
14 read as follows:

15 (1) After computing the tax imposed by RCW 54.28.025(1), the  
16 department of revenue (~~shall~~) must instruct the state treasurer to  
17 distribute the amount collected on the first business day of July as  
18 follows:

19 (a) Fifty percent to the state general fund for the support of  
20 schools; and

21 (b) Twenty-two percent to the counties, twenty-three percent to  
22 the cities, three percent to the fire protection districts, and two  
23 percent to the library districts.

24 (2) Each county, city, fire protection district and library  
25 district (~~shall~~) must receive a percentage of the amount for  
26 distribution to counties, cities, fire protection districts and  
27 library districts, respectively, in the proportion that the  
28 population of such district residing within the impacted area bears  
29 to the total population of all such districts residing within the  
30 impacted area. For the purposes of this chapter, the term "library  
31 district" includes only regional libraries (~~as defined in RCW~~

1 ~~27.12.010(4))~~), rural county library districts (~~as defined in RCW~~  
2 ~~27.12.010(5))~~), intercounty rural library districts (~~as defined in~~  
3 ~~RCW 27.12.010(6))~~), and island library districts (~~as defined in RCW~~  
4 ~~27.12.010(7))~~). The population of a library district, for purposes of  
5 such a distribution, (~~shall~~) does not include any population within  
6 the library district and the impact area that also is located within  
7 a city or town.

8 (3) If any distribution pursuant to subsection (1)(b) of this  
9 section cannot be made, then that share (~~shall~~) must be prorated  
10 among the state and remaining local districts.

11 (4) All distributions directed by this section to be made on the  
12 basis of population (~~shall~~) must be calculated in accordance with  
13 data to be provided by the office of financial management.

14 **Sec. 502.** RCW 54.28.055 and 2017 c 323 s 105 are each amended to  
15 read as follows:

16 (1) Except as provided in subsection (3) of this section, the  
17 department of revenue must instruct the state treasurer to distribute  
18 the amount collected under RCW 54.28.025(1) on the first business day  
19 of July as follows:

20 (a) Fifty percent to the state general fund for the support of  
21 schools; and

22 (b) Twenty-two percent to the counties, twenty-three percent to  
23 the cities, three percent to the fire protection districts, and two  
24 percent to the library districts.

25 (2) Each county, city, fire protection district, and library  
26 district must receive a percentage of the amount for distribution to  
27 counties, cities, fire protection districts, and library districts,  
28 respectively, in the proportion that the population of such district  
29 residing within the impacted area bears to the total population of  
30 all such districts residing within the impacted area. For the  
31 purposes of this chapter, the term "library district" includes only  
32 regional libraries, rural county library districts, intercounty rural  
33 library districts, and island library districts as those terms are  
34 defined in RCW 27.12.010. The population of a library district, for  
35 purposes of such a distribution, does not include any population  
36 within the library district and the impact area that also is located  
37 within a city or town.

38 (3) Distributions under this section must be adjusted as follows:

1 (a) If any distribution pursuant to subsection (1)(b) of this  
2 section cannot be made, then that share must be prorated among the  
3 state and remaining local districts.

4 (b) The department of revenue must instruct the state treasurer  
5 to adjust distributions under this section, in whole or in part, to  
6 account for each county's, city's, fire protection district's, and  
7 library district's proportionate share of amounts previously  
8 distributed under this section and subsequently refunded to a public  
9 utility district under RCW 82.32.060.

10 (4) All distributions directed by this section to be made on the  
11 basis of population must be calculated in accordance with population  
12 data as last determined by the office of financial management."

13 Renumber the remaining part and sections consecutively and  
14 correct any internal references accordingly.

15 On page 47, after line 35, insert the following:

16 "(5) Section 502 of this act takes effect January 1, 2018."

17 On page 48, after line 2, insert the following:

18 "NEW SECTION. **Sec. 507.** Section 501 of this act expires January  
19 1, 2018."

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20 On page 1, line 3 of the title, after "82.14.495," strike "and  
21 82.14.500" and insert "82.14.500, 54.28.055, and 54.28.055"

22 On page 1, line 8 of the title, after "dates; providing" strike  
23 "an expiration date" and insert "expiration dates"

**EFFECT:** (1) Implements the public utility tax on fuel extracted,  
manufactured, and consumed in petroleum production over four years  
beginning on January 1, 2018.

(2) Changes the distribution of public utility privilege tax  
revenues to the state and local government from June to the first  
business day of July.

17-19 FISCAL IMPACT: \$1,401,000 GF-S revenue increase.

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